

STATE OF GEORGIA PURCHASING CARD PROGRAM

OFFICIAL GUIDANCE FOR ADMINISTERING CARDHOLDER CREDIT CHECKS

I. PURPOSE AND APPLICABILITY: The purpose of this document is to provide official guidance for administering credit checks in accordance with Georgia's Statewide Purchasing Card Policy. This guidance applies to all state government entities mandated to comply with the Statewide Purchasing Card Policy, including, but not limited to, state government offices, agencies, departments, boards, bureaus, commissioners, institutions and colleges and universities.

II. CREDIT CHECKS

Requirements: Georgia law requires that "a credit check shall be completed by the hiring agency on all employees to whom a purchasing card is issued prior to issue."
O.C.G.A. § 50-5-83. In addition, at the time of account renewal (when a new purchasing card will be issued to replace an expiring card), the Statewide Purchasing Card Policy requires a credit check for the current card holder.

Job Applicant/Employee	Credit Check Required?
New Hire for job position including Purchasing Card	YES
Current Employee identified to become new Purchasing Card Holder	YES
Current Purchasing Card Holder at Account Renewal (when a new purchasing card will be issued to replace an expiring card)	YES

b. Essential or Non-Essential Job Duty and Applicant/Employee Consent: For each job position that includes the responsibility of holding a purchasing card, the State Entity must determine and document whether holding the purchasing card is an essential or non-essential job duty. In determining whether holding a purchasing card is an essential job duty, the State Entity should carefully consider all relevant

factors, including whether use of the purchasing card will be a primary function of the job.

- i. Essential Job Duty: If use of a purchasing card has been identified as an essential duty, then the individual must be notified that the results of the credit check will be used to make employment decisions, including hiring of a new employee or retention, promotion or reassignment of a current employee as applicable. The State Entity must obtain the applicant/current employee's prior written consent to obtain a credit check using the SPD-approved statewide contract supplier's online portal.
- ii. Non-Essential Job Duty: If use of a purchasing card has been identified as a non-essential duty, then the results of the credit check will not be used to make employment decisions; however, failure to meet the requirements of the credit check will prohibit the applicant/current employee from either being issued or retaining a purchasing card as applicable. The State Entity must obtain the applicant/current employee's prior written consent to obtain a credit check using the SPD-approved statewide contract supplier's online portal.
- c. Credit Check Services: Each State Entity shall comply with all applicable procurement policies in obtaining background check services, including, but not limited to, use of the current mandatory statewide contract unless a waiver has been granted.
- **d.** Credit Check Results: Each State Entity will receive pass/fail results from SPD's approved statewide contract supplier. If the applicant/current employee passes the credit check, then the State Entity may proceed forward. If the applicant/current employee fails the credit check, then the State Entity must complete the following steps:
 - i. Essential Job Duty: For a position in which the State Entity determined holding a purchasing card is an essential job duty, the State Entity must complete the following steps prior to taking an adverse action (rejecting a job applicant, reassign or terminating an employee, denying a promotion, or any other adverse employment action) based on the results of the credit check:

- 1. Provide a notice to the applicant/current employee that includes a copy of the credit report relied on to make the decision;
- 2. Provide the applicant/current employee a copy of "A Summary of Your Rights Under the Fair Credit Reporting Act"; and
- 3. Provide the applicant/current employee an opportunity to review the report and notify the State Entity of the employee's efforts to correct any errors identified in the credit report. NOTE: Under the Fair Credit Reporting Act, credit bureaus must complete an investigation of a reported error within thirty (30) calendar days; therefore, the State Entity should allow at least thirty (30) calendar days if the applicant/current employee notifies the State Entity that the applicant/current employee has reported an error to the credit bureau.
- **ii.** Non-Essential Job Duty: For a position in which the State Entity determined holding a purchasing card is not an essential job duty, the State Entity must complete the following steps prior to finalizing the decision to deny issuance of the purchasing card due to a failed credit check:
 - 1. Provide a copy of the credit report to the applicant/current employee; and
 - 2. Provide the applicant/current employee an opportunity to review the report and notify the State Entity of the employee's efforts to correct any errors identified in the credit report.

For any questions related to this official guidance, please contact the State Purchasing Division at <u>cardprograms@doas.ga.gov</u>.